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Juan Arambula
Supervisor, District 3
Board of Supervisors



July 2, 1999

Mayor Jim Patterson
City of Fresno
Fresno City Hall
2600 Fresno Street
Fresno, CA 93721

Dear Mayor ~~Patterson~~ *Jim*:

Subject: Negotiations Regarding Fresno Sphere of Influence Expansion

This letter is to provide information to continue our productive negotiations regarding an expanded sphere of influence for the City of Fresno to accommodate its growth. At our last meeting, you had requested the County to identify points to be included in the subsequent Memorandum of Understanding for Fresno's Sphere expansion.

Fresno County's ability to maintain its fiscal health so it can provide services to all county residents is inextricably linked to its land use and annexation policies. For more than 20 years, the County's land use policies have supported the expectation that urbanization will occur within cities and existing communities. The County's current general plan update effort continues this philosophy and the implementing policies.

Fresno County's policies facilitate major revenue generating development primarily in cities. Our land use policies concentrate population growth in cities and unincorporated communities resulting in increases in county services such as justice, health and social services for those residents. The costs for providing services to city residents cannot be recovered from the agricultural lands the County and the 15 cities have committed in their General Plans to protect.

As a result of our most recent discussions, the following points should be included in the next Memorandum of Understanding between the County and the City. These points are the cornerstone of the County and the City equitably

sharing the benefits and liabilities of our complimentary land use policies, as well as the continued enhancement of the quality of life of our joint constituency and all Fresno County residents.

As the County's Negotiating Team, we are prepared to recommend to the Board of Supervisors the following points. The County of Fresno would:

- ✓ Approve a new memorandum of understanding for lands subsequently described to expand Fresno's current sphere, based on the points of agreement detailed below. The specific language to be prepared by our respective attorneys.
- ✓ The first phase of the City of Fresno's new sphere shall include approximately 1,123 acres in the area generally bounded by Copper Avenue, Willow Avenue and Friant Road (connecting the proposed sphere expansion to the developed City boundary at the cornerpoint of Millbrook and Copper Avenues);
- ✓ Proposed new sphere of influence for the City of Clovis would include the area generally bounded by Shaw Avenue, McCall Avenue and the Gould Canal. The 468 acres immediately north of the Gould Canal shall be preserved as agricultural land by the City of Clovis, to be reflected in its General Plan;
- ✓ Memorialize Willow Avenue as the continued boundary for the spheres of influences for the cities of Fresno and Clovis;
- ✓ For a 15 year period provide a master revenue sharing agreement, providing that:
 - Redevelopment activities be guided by the state law provisions, as projects are proposed, and in their absence by the provisions of AB 1290;
 - As shown in Exhibit C, a 7.5% shared increase in sales tax citywide shall begin upon annexation of the lands contained in the new sphere area. The increases shall be incremental at the rate of 0.5% per year. This shall be in addition to the 5.0% presently applying to lands annexed based on the 1991 Memorandum of Understanding;
 - The pre-Education Revenue Augmentation Fund (ERAF) property tax share shall be City 37% and County 63%;
- ✓ City and County to agree on transition areas to rural residential and land area required for accommodation;

- ✓ All provisions and exhibits of prior agreement as contained in the Memorandum of Understanding, dated February 26, 1991, not inconsistent with these points, shall be incorporated by reference; and
- ✓ Discussion of Phase II sphere expansion would be continued to a date certain, in conjunction with the County's General Plan update effort.

We are providing you with a copy of the summary report, FRESNO COUNTY JUSTICE SYSTEM MASTER PLAN, outlining the justice system needs countywide. The report was presented to the Board of Supervisors on March 16, 1999. A copy of the full report is being provided to City Manager Jeff Reid. Should you request additional copies of the full report, we will copy them and provide them to you.

We look forward to our next meeting so we may proceed to bringing closure to these important matters.

Very truly yours,



for Fresno County Negotiating Team
Supervisor Stan Oken
Supervisor Juan Arambula

Enclosures: Exhibit A – Map of Phase I - Fresno Sphere of Influence
Exhibit B – Map of Phase I - Clovis Sphere of Influence
Exhibit C – Table for Sales Tax Sharing
Exhibit D – FRESNO COUNTY JUSTICE SYSTEM MASTER
PLAN, Executive Summary, dated March 1999

c: Council President Ken Steitz
Councilman Garry Bredefeld
Councilman Sal Quintero
Jeff Reid, Fresno City Manager
Fresno County Board of Supervisors
Linzie L. Daniel, Interim County Administrative Officer

Exhibit C

Shows shared amounts for existing sphere only
and shared amounts city wide when annexations begin in new sphere area
(increase of 0.5% per year up to maximum of 7.5%)

Year		Estimated Sales Tax Revenue in Fresno		
		City of Fresno Share	Fresno County Share	Total
Year 1 0.5%	Existing SOI	\$ 46,435,661	\$ 2,443,982	\$ 48,879,643
	New + Existing SOI	\$ 46,191,263	\$ 2,688,380	\$ 48,879,643
Year 2 1.0%	Existing SOI	\$ 47,828,731	\$ 2,517,302	\$ 50,346,032
	New + Existing SOI	\$ 47,325,270	\$ 3,020,762	\$ 50,346,032
Year 3 1.5%	Existing SOI	\$ 49,263,593	\$ 2,592,821	\$ 51,856,413
	New + Existing SOI	\$ 48,485,746	\$ 3,370,667	\$ 51,856,413
Year 4 2.0%	Existing SOI	\$ 50,741,500	\$ 2,670,605	\$ 53,412,106
	New + Existing SOI	\$ 49,673,258	\$ 3,738,847	\$ 53,412,106
Year 5 2.5%	Existing SOI	\$ 52,263,745	\$ 2,750,723	\$ 55,014,469
	New + Existing SOI	\$ 50,888,384	\$ 4,126,085	\$ 55,014,469
Year 6 3.0%	Existing SOI	\$ 53,831,658	\$ 2,833,245	\$ 56,664,903
	New + Existing SOI	\$ 52,131,711	\$ 4,533,192	\$ 56,664,903
Year 7 3.5%	Existing SOI	\$ 55,446,607	\$ 2,918,242	\$ 58,364,850
	New + Existing SOI	\$ 53,403,838	\$ 4,961,012	\$ 58,364,850
Year 8 4.0%	Existing SOI	\$ 57,110,006	\$ 3,005,790	\$ 60,115,795
	New + Existing SOI	\$ 54,705,374	\$ 5,410,422	\$ 60,115,795
Year 9 4.5%	Existing SOI	\$ 58,823,306	\$ 3,095,963	\$ 61,919,269
	New + Existing SOI	\$ 56,036,939	\$ 5,882,331	\$ 61,919,269
Year 10 5.0%	Existing SOI	\$ 60,588,005	\$ 3,188,842	\$ 63,776,847
	New + Existing SOI	\$ 57,399,163	\$ 6,377,685	\$ 63,776,847
Year 11 5.5%	Existing SOI	\$ 62,405,645	\$ 3,284,508	\$ 65,690,153
	New + Existing SOI	\$ 58,792,687	\$ 6,897,466	\$ 65,690,153
Year 12 6.0%	Existing SOI	\$ 64,277,815	\$ 3,383,043	\$ 67,660,857
	New + Existing SOI	\$ 60,218,163	\$ 7,442,694	\$ 67,660,857
Year 13 6.5%	Existing SOI	\$ 66,206,149	\$ 3,484,534	\$ 69,690,683
	New + Existing SOI	\$ 61,676,255	\$ 8,014,429	\$ 69,690,683
Year 14 7.0%	Existing SOI	\$ 68,192,333	\$ 3,589,070	\$ 71,781,404
	New + Existing SOI	\$ 63,167,635	\$ 8,613,768	\$ 71,781,404
Year 15 7.5%	Existing SOI	\$ 70,238,103	\$ 3,696,742	\$ 73,934,846
	New + Existing SOI	\$ 64,692,990	\$ 9,241,856	\$ 73,934,846

Assumes sales tax growth of 3% per year

Existing Sphere amount shared per 1991 MOU is 5% and will remain in place